

Message Text

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46/13

ACTION EB-11

INFO OCT-01 EA-11 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 L-03 SCEM-02 INT-08 SS-20

NSC-10 SCI-06 DOTE-00 DRC-01 /093 W

----- 081356

P R 240341Z NOV 73

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC PRIORITY 1233

INFO AMEMBASSY TOKYO

AMCONSUL HONG KONG

AMCONSUL OSAKA

C O N F I D E N T I A L SEOUL 7897

C O R R E C T E D C O P Y (MRN 7897 VICE 7879)

E. O. 11652:

TAGS: ETRN ENRG KS

SUBJECT: CIVAIR NORTHWEST AIRLINES PROTESTS ROK FUEL ALLOCATION
SYSTEM

REF: SEOUL 7879

1. NWA INFORMED EMBASSY FUEL ALLOCATION SYSTEM INSTITUTED
BY ROKG WILL FORCE SUBSTANTIAL CUTBACK IN NWA KOREA
SERVICE. EMBASSY REQUESTED INTERVENE IF NWA'S EFFORTS
MODIFY SYSTEM UNSUCCESSFUL. ACTION REQUESTED: DEPARTMENT
GUIDANCE ON EMBASSY INTERVENTION WITH MINISTRY OF TRANS-
PORTATION.

2. NORTHWEST AIRLINES (NWA) SEOUL REPRESENTATIVE CALLED
ON EMBASSY NOV. 23 TO ADVISE US OF NWA DISSATISFACTION
WITH AVIAATION FUEL ALLOCATION SYSTEM ANNOUNCED NOV. 22
BY MINISTRY OF TRANSPORTATION (MOT). MOT HAS LIMITED
EACH CARRIER TO SAME MONTHLY QUANTITY OF FUEL AS WAS
PURCHASED AT KIMPO IN AUGUST 1973, RETROACTIVE TO NOV. 26.
NWA HAS, HOWEVER, ASSURED ITSELF OF ADEQUATE FUEL UNTIL
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NOV. 30. NWA'S AUGUST PURCHASES WERE 101,000 GALLONS IN

CONTRAST TO LAST SIX MONTHS AVERAGE OF 200,000 GALLONS, AND LAST TEN MONTHS AVERAGE OF 180,000 GALLONS. ACCORDING TO NWA, LARGER THAN USUAL QUANTITIES OF FUEL WERE PURCHASED IN JAPAN DURING AUGUST DUE TO LOWER PRICES THERE AND, THEREFORE, AUGUST KOREAN PURCHASES WERE EXTREMELY LOW IN CONTRAST TO OTHER MONTHS.

3. USE OF AUGUST BASE PERIOD ALLOWS SUBSTANTIALLY NORMAL FUEL SUPPLY FOR KOREAN AIR LINES, JAPAN AIR LINES AND FLYING TIGER. ONLY NORTHWEST, AND TO SMALLER DEGREE, CATHAY PACIFIC, SUPPLIES WILL BE REDUCED SUBSTANTIALLY.

4. NWA SAYS THAT CURRENT FREQUENCIES CAN BE MAINTAINED WITH MONTHLY ALLOCATION OF 200,000 GALLONS, ASSUMING CONTINUATION OF EQUITABLE ALLOCATIONS IN JAPAN AND PROBABLE EQUIPMENT CHANGES. AT 180,000 GAO/MO., SEOUL-HONG KONG SERVICE AND POSSIBLY OSAKA STOPOVERS ON TOKYO-SEOUL SERVICE WOULD BE REDUCED. ANY LOWER LEVEL WOULD REQUIRE VERY SUBSTANTIAL CUTBACK IN KOREAN FREQUENCIES.

5. NWA SEOUL OFFICE WILL REQUEST MOT TO CHANGE BASE PERIOD TO LAST SIX MONTHS OR LAST TEN MONTHS TO ASSURE EQUITABLE ALLOTMENT OF FUEL SUPPLIES. NWA REQUESTED EMBASSY TAKE NO ACTION UNTIL MOT REPLY IS RECEIVED. NWA SUSPECTS THAT SELECTION OF AUGUST BASE PERIOD WAS AT KAL INSTIGATION AND NO ACTION ON THEIR REQUEST WILL BE TAKEN.

6. COMMENT: IN THE EVENT MOT REFUSES NWA REQUEST AND EMBASSY IS REQUESTED INTERVENE, WE ARE PREPARED TO RAISE THE ISSUE WITH ROKG BUT FOR OBVIOUS REASONS WANT TO AVOID LINKING FUEL SITUATION WITH THE UPCOMING AVIATION NEGOTIATIONS.

7. WE UNDERSTAND NORTHWEST WASHINGTON VICE PRESIDENT WILL CALL ON EA AND EB OFFICIALS TO REQUEST STRONG USG REPRESENTATION TO ROKG.

8. EMBASSY IS PREPARED TO MAKE STRONGEST REPRESENTATIONS WHEN REQUESTED. WE WOULD APPRECIATE ANY GUIDANCE DEPT. MAY WISH TO OFFER.

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